

Title: Community First Choice Option
Section: PPACA § 2401; SSA §1915(k)
State Option

Overview:

The Community First Choice Option provided under the Patient Protection and Affordable Care Act (PPACA), codifying §1915(k) as a new option for states, is one of a series of federal initiatives to provide services to people with disabilities in the most independent, least restrictive environment possible. Nevada is committed to this cause and has many programs that strive to serve eligible Medicaid recipients with home and community-based services rather than institutionally-based services.

The new §1915(k) option allows States to provide for the provision of medical assistance for home and community based attendant services and supports. Eligible individuals are those whose income is less than or equal to 150% of the poverty line or the income level of institutional level of care under the Medicaid State Plan.

Unlike some other states, Nevada includes personal care services in its approved Medicaid State Plan. Also unlike some other states, Nevada Medicaid policies currently provide recipients who have a medical need for personal care services with a choice of two service delivery models. The first, a traditional agency model, authorizes services through a personal care service agency. The agency function as both the managing employer and the employer of record for the personal care assistant, making it responsible for training, payroll, scheduling and other administrative functions.

The second service delivery model, termed intermediary services organization, utilizes these organizations to allow a Medicaid recipient to act as the managing employer, self-directing his or her own care, and hiring and firing his or her own personal care attendant. The intermediary service organization is the employer of record and carries out administrative functions on behalf of the recipient.

The Community First Choice Option is designed to bolster the use of this second service delivery model where the individual directs his or her own care. As of July 2010, participation by Nevada Medicaid recipients in the intermediary service organization model totaled 296 recipients, or less than 6% of the total population of Nevada Medicaid recipients receiving personal care services. The remainder, a total of 4,905 Nevada Medicaid recipients, chose to receive personal care services through the traditional agency model.

As the result of an initial analysis, it appears that Nevada's current intermediary service organization program would meet the program structure required by the Community First Choice Option; however, utilization of the Community First Choice Option would require significant additional administrative and reporting requirements. Importantly, Community First Choice Option participants would need to meet an institutional level of care – which is not a current requirement for the provision of personal care services under the Medicaid State Plan.

While there is an enhancement of 6% to the Federal Medical Assistance Percentage (FMAP) for Community First Choice Option participants, the State would need to have sufficient Medicaid recipients who both meet a nursing facility level of care and who are interested in the self-directed service delivery option. This is necessary to receive enough additional revenue through the enhanced 6% FMAP to offset the added administrative requirements of this option. It is important to note that the administrative costs of implementing and monitoring the Community First Choice Option would remain even after the enhanced FMAP ends.

Because of the small population of Medicaid recipients utilizing the intermediary service organization model, DHCFP does not believe the enhanced FMAP available would be sufficient to outweigh the significant administrative requirements of the Community First Choice Option. Modifying the existing personal care services intermediary services organization model to require that participants meet a level of care would also present a dilemma for those current participants in the intermediary services organization model who do not meet nursing facility level of care. Difficulties in addressing the needs of individuals not meeting nursing facility level of care would present a significant challenge for Nevada Medicaid. Consequently, at this time, the DHCFP will not submit a State Plan Amendment to incorporate the Community First Choice Option.

DHCFP will, however, as Centers for Medicare & Medicaid Services releases further policy and state guidance information, continue its analysis of the Community First Choice Option's feasibility for Nevada Medicaid.

Targeted Population: The targeted population of the Community First Choice Option in Nevada is those participants in Nevada Medicaid's Personal Care Services Intermediary Service Organization delivery model who meet a nursing facility level of care.

Fiscal Impact: None. DHCFP does not plan to participate in the Community First Choice Option.

Applicability to Nevada: None. DHCFP does not plan to participate in the Community First Choice Option.